

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2385 - SB 2468

March 12, 2014

SUMMARY OF ORIGINAL BILL: Deletes Section 3(b) of Public Chapter 591 of 2009 concerning the *Commercial Breeder Act* (act) which removes the termination date of June 30, 2014. Removes a required study by the Comptroller of the Treasury to be completed January 15, 2014.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$299,500

SUMMARY OF AMENDMENT (014127): Deletes all language after the enacting clause. Deletes Section 3(b) of Public Chapter 591 of 2009 concerning the *Commercial Breeder Act* (act) which removes the termination date of June 30, 2014. Substitutes such termination date with June 30, 2015. Removes a required study by the Comptroller of the Treasury to be completed January 15, 2014.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$299,500/FY14-15

Assumptions for the bill as amended:

- Public Chapter 591 of 2009 required the regulation of the commercial dog and cat breeders in this state.
- The responsibility to administer this program is now with the Department of Health, Office of Animal Welfare.
- According to the Office of Animal Welfare, this program currently has 20 licensed commercial breeders.
- This program is funded by licensure fee revenue and sales taxes collected through the sale of dogs and cats which are bred by licensed breeders. Licensure and tax fee revenue collected is not adequate to fund the program.
- According to the Office, this program had closing deficits in FY11-12 of \$289,400 (revenue \$76,300 - expenditures \$365,700), \$309,500 in FY12-13 (revenue 55,900 - expenditures \$365,400), and a closing reserve deficit of \$965,750 on June 30, 2013.

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- According to the Office, extending the program beyond FY13-14, through FY14-15 will result in an increase in one-time state expenditures estimated to be \$299,500.
- No longer requiring the Comptroller of the Treasury to complete this study will have no significant fiscal impact on the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb